

SONARDYNE INTERNATIONAL LIMITED

TERMS AND CONDITIONS FOR PURCHASE OF GOODS AND SERVICES

1. DEFINITIONS & INTERPRETATIONS

1.1 Affiliate of Sonardyne or the Supplier means, respectively, any and all holding companies of that company and all direct or indirect subsidiaries of such holding companies and “holding company” and “subsidiary” shall have the meanings ascribed to them in section 1159 of the Companies Act 2006;

Agreement means collectively these Terms and Conditions, the Order, any Special Terms and Conditions, annexures, appendices and/or attachments identified as part of the Agreement;

Applicable Data Protection Laws means all applicable data protection and privacy legislation in force from time to time including without limitation the General Data Protection Regulation (EU) 2016/679, the Data Protection Act 2018 (and regulations made thereunder), the Privacy and Electronic Communications Regulations 2003 (SI 2003/2426) as amended and all other legislation and regulatory requirements in force from time to time which apply to a party relating to the use of Personal Data (including, without limitation, the privacy of electronic communications), as well as the guidance and codes of practice issued by commissioners or other relevant regulatory authority and which are applicable to a party;

Applicable Laws means all applicable laws, statutes, regulations and codes from time to time in force;

Authentic shall mean (i) from the legitimate source claimed or implied by the marking and design of the product offered; and (ii) manufactured by, or at the behest and to the standards of, the manufacturer that has lawfully applied its name and trademark for that model/version of the material;

Background IP means IP brought by either Party for use under an Order which is owned by or licensed to a Party before the date of issue of the Order, or otherwise developed or acquired by a Party other than through participation in the Order;

Control has the meaning given in section 1124 of the Corporation Tax Act 2010, and the expression change of Control shall be construed accordingly;

Corporate Failure to Prevent Fraud Offence means an offence under section 199 of ECCTA 2023 and any other applicable United Kingdom laws, legislation, statutory instruments and regulations in relation to failure to prevent fraud and any similar or equivalent laws in any other relevant jurisdiction;

Counterfeit Electronic Part means an unlawful or unauthorised reproduction, substitution, or alteration that has been knowingly mismarked, misidentified, or otherwise misrepresented to be an authentic, unmodified electronic part from the original manufacturer, or a source with the express written authority of the original manufacturer, including an authorised aftermarket manufacturer. Unlawful or unauthorised substitution includes used electronic parts represented as new, or the false identification of grade, serial number, lot number, date code, or performance characteristics;

Counterfeit Part means a part that is (i) an unauthorised copy or substitute that has been identified, marked, and/or altered by a source other than the item’s legally authorised source and has been misrepresented to be an authorised item of the legally authorised source and/or (ii) a previously used part provided as ‘new’;

Cyber Security Incident means the loss accidental, or unauthorised or unlawful loss, destruction, alteration, disclosure of, access to, or control of a Digital Environment;

Cyber Security means technologies, processes, procedures and controls that are designed to protect Digital Environments from Cyber Security Incidents;

Digital Environment is information technology systems, operational technology systems, networks, organisational systems (whether of a technical nature or organisational nature), internet-enabled applications or devices and the data contained within such systems;

Force Majeure means as defined in Clause 27 of these terms and conditions;

Foreground IP means any IP that arises or is obtained or developed by a Party, or by a contractor on behalf of a Party, specifically in the course of or in connection with the performance of an Order;

Fraud Offence Fraud Offence means an offence as listed in **Schedule 13** of the Economic Crime and Corporate Transparency Act 2023 (ECCTA 2023) and any other applicable United Kingdom laws, legislation, statutory instruments and regulations in relation to fraud;

Goods mean all products and materials, including those installed as part of the Services, that are sold by Supplier to Sonardyne under this Agreement, as described under the Order;

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IP or Intellectual Property means all intellectual property rights, patents, rights to inventions, utility models, copyright and related rights, trademarks, service marks, trade, business and domain names, rights in trade dress or get-up, rights in goodwill or to sue for passing off, unfair competition rights, rights in designs, rights in computer software, database right, topography rights, moral rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications for and renewals or extensions of such rights, and all similar or equivalent rights or forms of protection in any part of the world;

Licensor means any person, firm, company or partnership contracted by Sonardyne or Supplier to licence any Intellectual Property for the purposes of supplying the Goods and/or performing the Services under an Order;

Mandatory Policies means Sonardyne's business policies and codes as provided by Sonardyne to the Supplier from time to time, including those available at <https://www.sonardyne.com/corporate-governance/>;

Obsolete Part means a part that is no longer in production by the original manufacturer or an aftermarket manufacturer that has been provided with express written authorisation from the original manufacturer;

Order means an order for products and/or Services issued by Sonardyne or one of its Affiliates in accordance with these terms and conditions, including all manuals, user guides, certifications, and all other documentation required for complete testing and proper use of the Goods;

Party means Sonardyne or Supplier, as applicable;

Restricted Party means a person or entity that is listed on, or owned or controlled by a person or entity listed on, any Sanctions List, or that is otherwise a target or subject of Sanctions Laws;

Sanctions Authorities means the administration of Global Affairs Canada, the UK Office of Foreign Assets, the Office of Foreign Assets Control of the US Department of Treasury, the United States Department of State, the European Commission, the Danish Ministry of Foreign Affairs (*Udenrigsministeriet*), UK HM Treasury, the Monetary Authority of Singapore, the Brazilian Ministry of Economy (Secretaria de Comércio Exterior - SECEX), the Australian Sanctions Office (ASO) and the UN Security Council, the Department of International Trade and any other body that administers Sanctions Laws;

Sanctions Laws means all embargoes, regulations, codes, rules, decisions, directives or orders relating to and/or governing the imposition of economic or financial sanctions;

Sanctions List means the Specially Designated Nationals and Blocked Persons List and the Sectoral Sanctions Identification List maintained by the Office of Foreign Assets Control, the consolidated list of persons, groups and entities subject to EU financial sanctions, the Consolidated List of Financial Sanctions Targets maintained by HM Treasury or any similar list maintained or public announcement of sanctions made, by any other Sanctions Authorities;

Services mean the Services and work required to be performed by Supplier under this Agreement, as described under the Order;

Sonardyne Group means Sonardyne and its Affiliates;

Sonardyne's Supplier Code of Conduct means the document available here <https://www.sonardyne.com/corporate-governance/supplier-code-of-conduct/> or as provided by Sonardyne, which may be updated from time to time;

Sonardyne means Sonardyne International Limited, a company incorporated and registered in England and Wales with company number 01299452 whose registered office is at Ocean House, Blackbushe Business Park, Yateley, Hampshire, GU46 6GD;

Specifications mean all documents, plans, drawings, information, designs, data, instructions, discs, tooling or other information relating to the Goods or Services, as may be issued by Sonardyne from time to time;

Supplier means the company or person from whom Sonardyne purchases goods or services, as identified in the Order;

Suspect Counterfeit Electronic Part means a part where visual inspection, testing, or other information provides reason to believe that the part may be a Counterfeit Part.

- 1.2 PRIORITY:** In the event that there is any ambiguity or inconsistency in or between the documents comprising this Agreement, the priority of the documents shall be determined in accordance with the following order of precedence:
- a. any Special Terms and Conditions;
 - b. the Purchase Order; and
 - c. these Terms and Conditions.

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2. ACCEPTANCE

- 2.1 Any Order shall constitute an offer by Sonardyne and shall lapse unless unconditionally accepted by the Supplier within 48 hours of receipt of the Order or the Supplier doing any act consistent with fulfilling the Order. Acceptance of any Order is subject to these terms and conditions which shall apply to the exclusion of the Supplier's or any other terms and conditions.
- 2.2 Subject to Clause 6, no waiver, modification or addition to these terms or conditions (including as to price) shall be valid unless in writing and agreed by the parties in advance.
- 2.3 An Affiliate of Sonardyne may place Orders under these terms and conditions. Any such Affiliate shall not be deemed a party to this Agreement or assume any obligations hereunder unless and until it expressly elects in writing to do so, in which case it shall be treated as a customer solely for the purposes of the relevant Order(s). For the avoidance of doubt, Sonardyne shall not be liable for any obligations arising from Orders place by an Affiliate that has elected to contract directly with the Supplier.

3. PRICES

- 3.1 The price is as stated by Sonardyne in the Order. No increase in the price may be made by the Supplier without the prior written consent of Sonardyne in accordance with these terms and conditions.
- 3.2 Unless otherwise specified, the price includes all charges for the Goods or Services, the Specifications, packing, storage and transportation to the delivery address specified in the Order. Any additional charges shall be borne by the Supplier. The Supplier shall be responsible for obtaining any export or import licences.
- 3.3 The price includes all taxes and duties in respect of exportation and importation of the Goods except VAT where the Supplier is required by law to collect VAT from Sonardyne. VAT, if any, shall be separately stated in the Supplier's invoice and paid by Sonardyne subject to receipt of a valid VAT invoice from the Supplier unless an exemption is available.
- 3.4 The Supplier shall be solely responsible for any duties, levies, tariffs or costs arising from any applicable legislation, such as U.S. tariff laws, including but not limited to Section 301 tariffs under the U.S. Trade Act of 1974 unless otherwise agreed in writing by Sonardyne.

4. DELIVERY

- 4.1 Time is of the essence in this Order and substitutions will not be accepted.
- 4.2 Orders shall be delivered to the delivery location specified by Sonardyne in the Order during Sonardyne's normal business hours, or as instructed by Sonardyne. Delivery of the Goods shall be completed on the completion of unloading the Goods at the delivery location.
- 4.3 The entire Order must be delivered by the date requested, but it may not be delivered more than one week in advance of the time(s) specified without Sonardyne's prior written approval.
- 4.4 If the Supplier fails to meet the delivery schedule, Sonardyne, without limiting any other rights or remedies it may have including as set out in clause 11, may:
 - 4.4.1 direct an expedited form or route of delivery and any excess costs incurred as a result thereof will be borne by the Supplier; or
 - 4.4.2 treat the Agreement as discharged by the Supplier's breach.
- 4.5 If the Goods or Services are delivered or performed by instalments, the Order will be treated as a single Order and shall not be severable. Without prejudice to the foregoing when more than one delivery is made against any Order, the invoice and papers accompanying the last delivery must indicate that it is the final instalment.
- 4.6 Sonardyne is not obliged to accept instalments, untimely, excess or under deliveries, and such deliveries in whole or in part may, at Sonardyne's option, be returned to the Supplier, or held for disposition by the Supplier at the Supplier's expense and risk. Sonardyne will not be liable for the Supplier's commitments or production arrangements in excess of the amount or in advance of the time necessary to meet Sonardyne's delivery schedule.
- 4.7 All Goods received by Sonardyne shall be subject to subsequent inspection. Any signature provided by or on behalf of Sonardyne on a delivery note or similar document provided by the Supplier acknowledges receipt only and shall not be construed as acceptance of the Goods nor as evidence of their quantity, condition, or conformity with the Order. Sonardyne's rights to inspect and reject the Goods under this Agreement remain fully reserved and unaffected.
- 4.8 If the Supplier requires Sonardyne to return any pallets, packaging or packing materials to the Supplier, that requirement must be clearly stated on the delivery note accompanying the Goods, and any such returns shall be at the Supplier's expense.

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5. RISK & TITLE

- 5.1 Risk shall pass once the Goods have been unloaded upon delivery to the delivery location specified in the Order.
- 5.2 Subject to the following provisions:-
- 5.2.1 each Order as it is constructed together with its component parts and equipment so far as incorporated therein; and
- 5.2.2 all materials and other items whatsoever which the Supplier shall acquire or allocate for incorporation in any Order
shall vest in and become the absolute property of Sonardyne, as from the time the construction begins or the materials or items are so acquired or allocated and are in the possession of the Supplier for the sole purposes of completing the Order and delivering it when completed to Sonardyne, and shall not be within the ownership, control or disposition of the Supplier.
- 5.3 Neither the Supplier nor any other person shall have a lien on any Goods, materials or things which have vested in Sonardyne under Clause 5.2 for any sum due to them and the Supplier shall take all such steps as may be reasonably necessary to ensure that the title of Sonardyne and the exclusion of any such lien, are brought to the notice of all sub-contractors and other persons dealing with any such Goods, materials or things.
- 5.4 Without prejudice to the above, the Supplier shall ensure that as from the time when the construction begins, or as soon thereafter as is practicable and that as from the time when any such materials or things are so acquired, or allocated, a mark shall be placed thereon where possible, or where this is not possible, such a notice shall be displayed and record made in the books of the Supplier as may be necessary for the purpose of ensuring that all such Goods, materials or things as aforesaid are readily identifiable as being the property of Sonardyne and if any direction is given by Sonardyne to the Supplier as to the steps to be taken to ensure that any such Goods, materials or things shall be readily identifiable as being the property of Sonardyne, the Supplier shall comply with that direction.
- 5.5 In the event of the rejection of any Goods or of any materials or things, the Goods, materials or things so rejected shall forthwith re-vest in the Supplier.
- 5.6 Without prejudice to any other rights it may have, any payment made by Sonardyne in respect of the Goods, materials or things which re-vest in the Supplier under Clause 5.5 shall be recoverable from the Supplier.

6. MODIFICATION OF ORDER

- 6.1 Sonardyne may modify any Order in all or in part at any time prior to delivery of the Order by notice in writing. If such modification affects the price, delivery schedule or other performance requirement, the Supplier may make a written claim for an equitable adjustment within five (5) days after receipt of such notification of change, and only in that event will an adjustment be made by Sonardyne to the price, delivery schedule and/or other performance requirement (which shall be reasonable in the circumstances) and this shall be the Supplier's sole remedy in respect thereof.
- 6.2 The Supplier shall notify Sonardyne in writing in advance of any and all (i) changes to the Goods and/or Services, their Specifications and/or composition; (ii) process changes (iii) plant and/or equipment/tooling changes or moves; (iv) transfer of any work hereunder to another site; and /or sub-supplier changes; and no such change shall occur until Sonardyne has had the opportunity to determine the impact of such change on the Goods and/or Services and has approved such changes in writing. The Supplier shall be responsible for submitting proper documentation regarding any changes.
- 6.3 Notwithstanding the foregoing under Clause 6.1, the Supplier shall remain obligated to deliver the Goods and/or Services under the Order, and to perform its obligations under this Agreement in a timely manner in accordance with Clause 7.2 below.

7. SUPPLIER'S OBLIGATIONS

- 7.1 The Supplier shall for the duration of the Order supply the Goods and/or Services to Sonardyne in accordance with the terms of the Agreement.
- 7.2 The Supplier shall meet any performance dates for the Goods and/or Services specified in the Order or that Sonardyne notifies to the Supplier and time is of the essence in relation to any of such performance dates.
- 7.3 In providing the Goods and/or Services, the Supplier shall:
- 7.3.1 co-operate with Sonardyne in all matters relating to the Services, and comply with all instructions of Sonardyne;
- 7.3.2 perform the Services with the best care, skill and diligence in accordance with best practice in the Supplier's industry, profession or trade;
- 7.3.3 use personnel who are suitably skilled and experienced to perform tasks assigned to them, and in sufficient number to ensure that the Supplier's obligations are fulfilled in accordance with the Agreement;

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- 7.3.4 ensure that the Goods and Services will conform without any deviation with all descriptions and Specifications set out in the Order, and that the Goods shall be fit for any purpose that Sonardyne expressly or impliedly makes known to the Supplier;
- 7.3.5 provide all equipment, tools and vehicles and such other items as are required to provide the Services;
- 7.3.6 use the best quality Goods, materials, standards and techniques, and ensure that the Goods and materials supplied and used in the Services or transferred to Sonardyne, will be free from defects in workmanship, installation and design;
- 7.3.7 obtain and at all times maintain all licences and consents which may be required for the provision of the Services;
- 7.3.8 comply with all applicable laws, regulations, regulatory policies, guidelines or industry codes which may apply to the provision of the Services, and with any policies as may from time to time be notified by Sonardyne;
- 7.3.9 observe all health and safety rules and regulations and any other security requirements that apply at any of Sonardyne's premises or worksites;
- 7.3.10 hold all materials, equipment and tools, drawings, Specifications and data provided by Sonardyne to the Supplier ("Sonardyne Materials") in safe custody at its own risk, maintain Sonardyne Materials in good condition until returned to Sonardyne, and not dispose or use Sonardyne Materials other than in accordance with Sonardyne's written instructions or authorisation;
- 7.3.11 not do or omit to do anything which may cause Sonardyne to lose any licence, authority, consent or permission upon which it relies for the purposes of conducting its business, and the Supplier acknowledges that Sonardyne may rely or act on the Services; and
- 7.3.12 notify Sonardyne in writing immediately upon the occurrence of a change of Control, change of organisation, methods of Control, or a change of management of the Supplier. Upon Sonardyne's request, the Supplier shall promptly provide Sonardyne with such information as Sonardyne may reasonably require to assess the impact of any change of Control, change of organisation, methods of Control, or a change of management of the Supplier.

7.4 If, during any consecutive three (3) month period:

- 7.4.1 the rate of returns for any Goods equals or exceeds eight percent (8%) of the total units of such Goods supplied during that period, irrespective of whether such Goods are ultimately determined to be defective; and/or
- 7.4.2 if the volume or nature of recurring Sonardyne customer complaints relating to the Goods, once integrated, materially and adversely impacts the marketability, performance, or sales of the end product into which it is incorporated;

notwithstanding clauses 7.3 and 9, Sonardyne may, at its sole discretion and at the Supplier's sole expense, require the Supplier to promptly reimburse the Sonardyne, upon demand, for any penalties, costs, losses, or damages that Sonardyne is obligated to pay to its customers, end users of the Goods, or any other third party arising out of or in connection with this clause 7.4 which the Supplier shall be liable to pay in full.

8. OBSOLESCENCE AND COUNTERFEIT PARTS

- 8.1 Supplier shall take appropriate actions to mitigate parts obsolescence in order to maximize the availability and use of authentic, originally designed, and qualified parts throughout the Goods lifecycle.
- 8.2 Sonardyne may desire and hereby reserves the right to place additional orders for items purchased hereunder. Supplier shall provide Sonardyne with a "last time buy notice" at least twelve (12) months prior to any action to discontinue any item purchased under this Agreement.
- 8.3 Supplier shall notify Sonardyne if parts they have supplied contain materials at risk of future obsolescence or supply risk due to current or proposed regulations and/or standards, either domestic or foreign.
- 8.4 Supplier shall have in place policies and procedures for training personnel, designing and maintaining systems to mitigate risks associated with parts obsolescence, making sourcing decisions, prioritizing critical and sensitive components, ensuring traceability of parts, developing lists of trusted and non-trusted suppliers, flowing down requirements to subcontractors, and taking corrective action.
- 8.5 Supplier represents and warrants that only new and authentic materials are used in Goods required to be delivered to Sonardyne and that the Goods delivered contains no Counterfeit Parts. No other material, part, or component other than a new and authentic part shall be used unless approved in advance in writing by Sonardyne. To further mitigate the possibility of the inadvertent use of Counterfeit Parts, Supplier shall only purchase authentic parts/components directly from the original component manufacturer or original equipment manufacturer or through the original component manufacturer's or original equipment manufacturer's authorised distribution chain. Supplier must make available to Sonardyne, at Sonardyne's request, original component manufacturer or original equipment manufacturer documentation that authenticates traceability of the components to that applicable original component manufacturer or original equipment manufacturer.

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- 8.6 Purchase of parts/components from independent distributors is not authorised unless first approved in writing by Sonardyne. Supplier must present complete and compelling support for its request and include in its request all actions needed to ensure that the parts/components thus procured are legitimate parts. Sonardyne may additionally need to get its customer's approval of Supplier's request. Awaiting the processing of such requests shall not constitute a basis for excusable delay on part of the Supplier. Sonardyne's approval of Supplier request(s) does not relieve Supplier's responsibility to comply with all Agreement requirements, including the representations and warranties in this provision.
- 8.7 Supplier shall maintain a documented system (policy, procedure, or other documented approach) that provides for prior notification to Sonardyne and its written approval before parts/components are procured from sources other than original component manufacturer or original equipment manufacturer or through the original component manufacturer's or original equipment manufacturer's authorised distribution chain. Supplier shall provide copies of such documentation for its system for Sonardyne's inspection upon Sonardyne's request. Supplier's system shall be consistent with applicable industry standards, for the detection and avoidance of Counterfeit Electronic Parts and Suspect Counterfeit Electronic Parts, including policies and procedures for training personnel, designing and maintaining systems to mitigate risks associated with parts obsolescence, making sourcing decisions, prioritizing sensitive components, ensuring traceability of parts, developing lists of trusted and non-trusted suppliers, flowing down requirements to subcontractors, inspecting and testing parts, reporting and quarantining Suspect Counterfeit Electronic Parts and Counterfeit Electronic Parts, and taking corrective action.
- 8.8 Supplier shall flow the requirements of this provision to its subcontractors and suppliers at any tier for the performance of this Agreement.
- 8.9 Should Supplier become aware of a Counterfeit Part or Suspect Counterfeit Part that, by any means, has been delivered to Sonardyne, or acquired for this Agreement whether or not delivered to Sonardyne, Supplier shall notify Sonardyne as soon as possible but not later than seven (7) days of discovery. This requirement will survive this Agreement.
- 8.10 Supplier shall be liable for cost of Counterfeit Parts and Suspect Counterfeit Electronic Parts and the cost of rework or corrective action that may be required to remedy the use or inclusion of such parts.
- 8.11 Supplier shall quarantine Suspect Counterfeit Electronic Parts and Counterfeit Electronic Parts, and make them available for investigation by appropriate government authorities. Suspect Counterfeit Electronic Parts and Counterfeit Electronic Parts shall not be returned to the supply chain unless and until such time that the parts have been certified to be authentic.

9. WARRANTIES

- 9.1 The Supplier warrants that:
- 9.1.1 the quantity of the Goods shall be as specified in the Order;
 - 9.1.2 the Goods and Services supplied will conform to all applicable Specifications and samples;
 - 9.1.3 the Goods and Services will be of satisfactory quality (as defined in the Sale of Goods Act 1979 (as amended)) of good material and workmanship, free from defects and will be fit and sufficient for the purpose intended;
 - 9.1.4 the Goods and Services will conform with all applicable statutory and regulatory requirements and any other international standards;
 - 9.1.5 the Services will be performed by appropriately qualified and trained personnel, with due care and diligence;
 - 9.1.6 the Goods and Services shall comply with Sonardyne's quality conditions as issued by Sonardyne from time to time;
 - 9.1.7 the processes and practices used by the Supplier in the supply shall comply with applicable Health and Safety and Environmental regulations, including without limitations, the requirements described under Clause 14 of these Terms and Conditions;
 - 9.1.8 the goods and services do not and will not at any future time, in any way, infringe the intellectual property rights or any other rights of any third parties; and
 - 9.1.9 the goods be sold by the Supplier shall be free from any liens, charges and encumbrances, and the Supplier shall transfer full legal and beneficial title to Sonardyne with full title guarantee.
- 9.2 These warranties shall be in addition to all other warranties, express, implied or statutory.
- 9.3 Payment for, inspection of, acceptance or receipt of Goods or Services shall not constitute a waiver of any breach of warranty.
- 9.4 Where Goods do not conform to the Specifications and/or warranties provided by the Supplier, Sonardyne may impose a reasonable charge for handling, storing and returning the affected Goods.

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10. INSPECTION AND TESTS

- 10.1 Sonardyne reserves the right to inspect and/or test Goods or Services to the extent practicable on reasonable notice, including during manufacture and, in any event, prior to acceptance.
- 10.2 The Supplier hereby permits access to the Supplier's facilities for inspection of Goods or Services by Sonardyne, its' agents or employees and will, at no additional cost to Sonardyne, provide all tools, facilities and assistance reasonably necessary for such inspection.
- 10.3 It is expressly agreed that inspection and/or payment for the Goods or Services prior to final acceptance will not constitute acceptance of the Goods or Services. Sonardyne shall be entitled to reject any Goods or Services delivered which are not in accordance with these terms and conditions. Sonardyne shall not be deemed to have accepted the Order unless it has failed to reject them after having had thirty (30) days within which to inspect them or, in the case of a latent defect, thirty (30) days from such latent defect becoming apparent to Sonardyne.
- 10.4 Without prejudice to any other rights it may have and in addition to the right to indemnity pursuant to Clause 25, Sonardyne shall have the right upon rejection of Goods or Services which do not comply with these terms and conditions (or any part thereof):
- 10.4.1 to require the Supplier to repair or correct the same or to supply replacements in accordance with these terms at the Supplier's expense and risk within seven (7) days or such other period as specified by Sonardyne; and/or
 - 10.4.2 at Sonardyne's sole option the right for Sonardyne to correct or repair the same and the Supplier shall indemnify Sonardyne against all costs (including as to labour or spare parts) in respect of such correction or repair; and/or
 - 10.4.3 at Sonardyne's sole option (and whether or not Sonardyne has previously required the Supplier to repair or to supply any replacement Goods or Services), to treat the Agreement as discharged by the Supplier's breach and require the repayment of any part of the price which has been paid.
- 10.5 Goods or Services which have been delivered and rejected in whole or in part may, at Sonardyne's option, be returned to the Supplier or notified in writing to the Supplier for collection in either case at the Supplier's risk and expense. Sonardyne reserves the right to charge storage costs and rejected Goods will be stored at the Suppliers risk.

11. DELAYS

- 11.1 If Supplier fails to comply with delivery of the Goods and/or Services by the performance due date, Supplier shall pay pro-rata damages to Sonardyne, in respect of this default, for each day (or part thereof) that elapses from and including the performance due date of an amount equal to zero point one percent (0.1%) of the Order value up to the maximum aggregate liability for damages of seven point five percent (7.5%) of the Order value.
- 11.2 The Parties agree that the amount of damages for delay, payable by Supplier, in accordance with this Clause 11, represents an agreed, genuine pre-estimate of loss likely to be suffered by Sonardyne, in the event of a delay to performance beyond the relevant performance due date. The payment of damages for delays does not relieve Supplier from its obligations to provide and/or install the Goods and/or to perform the Services, or from any other obligations or liabilities under this Agreement.

12. CONFIDENTIALITY OBLIGATIONS

- 12.1 Supplier undertakes that it shall not at any time during this Agreement and for a period of five (5) years after termination (save for Confidential Information classified as trade secrets which shall remain confidential indefinitely) disclose to any person any confidential information concerning the business, affairs, customer, clients or suppliers of Sonardyne or of any member of the Sonardyne Group, including information relating to Sonardyne's operations, processes, plans, product information, know-how, designs, trade secrets, software, market opportunities and customers (**Confidential Information**), except as permitted by Clause 12.2.
- 12.2 Supplier may disclose Confidential Information:
- 12.2.1 to its employees, officers, agents, consultants or subcontractors who need to know such information strictly for the purposes of carrying out its obligations under or in connection with the Order, provided that the Supplier shall ensure that its representatives comply with the confidentiality obligations contained in this Clause 12 as though they were a party to this Agreement. The Supplier shall be responsible for its representatives' compliance with the confidentiality obligations set out in this clause; and
 - 12.2.2 as may be required by law, as mandated by a court of competent jurisdiction or any governmental or regulatory authority, provided that Supplier (prior to making such disclosure) shall give prompt notification to Sonardyne in order to enable Sonardyne make (to the extent permissible) appropriate representation or challenge to such disclosure requirement.
- 12.3 Sonardyne reserves all rights in its Confidential Information. No rights or obligations in respect of Sonardyne's Confidential Information other than those expressly stated in this Agreement are granted to the Supplier or to be implied from this agreement.

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12.4 The Supplier agrees that all information furnished or disclosed to Sonardyne by the Supplier in connection with the placing or filling of this Order is furnished or disclosed as a part of the consideration for this Order, and that such information is not, unless otherwise agreed to by Sonardyne in writing, to be treated as confidential or proprietary to the Supplier, and that Supplier shall assert no claims (other than for patent infringement) by reason of the use or disclosure of such information by Sonardyne, its assigns or its customers.

13. PROPRIETARY RIGHTS AND INTELLECTUAL PROPERTY

13.1 Supplier shall retain the ownership of Background IP owned by the Supplier ("**Supplier Intellectual Property**"). Sonardyne shall retain the ownership of all of Sonardyne's Background IP and Sonardyne shall acquire exclusive title to all Foreground IP arising from the performance of this Agreement ("**Sonardyne Intellectual Property**"). Nothing in these Terms & Conditions shall transfer ownership of Background IP from or to any Party. No rights or licences in IP are granted save as expressly set out in these Terms and Conditions.

13.2 Sonardyne hereby grants to Supplier, for the purposes of the supply of the Goods and/or performance of the Services only, a limited, terminable, non-exclusive, royalty-free, non-transferable license to use such Sonardyne Intellectual Property supplied by Sonardyne to Supplier. This license will terminate on termination or expiry of this Agreement.

13.3 Supplier on its own behalf and on behalf of its subcontractors hereby grants to Sonardyne an irrevocable, perpetual, royalty-free and transferable (including with right to assign its rights without consent to any purchaser of an interest in all or part of the Goods and/or Services) license and sublicense under the Supplier Intellectual Property, with the right to further sublicense: (i) to engineer, procure, design, finance, construct, inspect, test, validate, commission, operate, repair, maintain, upgrade and expand the Goods and/or Services, (ii) to copy, reproduce, and distribute all Supplier Intellectual Property in connection with the foregoing purposes with respect to the Goods and/or Services, and (iii) to prepare derivative works to perform the items listed in (i) and (ii) above. Sonardyne shall have the right to convey this license to a purchaser of the Goods and/or Services or of any direct or indirect interest therein. The rights and licenses and sublicenses set forth in this Clause 13.3 shall survive any expiration or termination of this Agreement.

13.4 Supplier and Sonardyne acknowledge that Licensors are expected to reserve their ownership rights with respect to all their pre-existing Intellectual Property licensed to Sonardyne or Supplier (as applicable), as set forth in the applicable subcontract or license agreement ("**Third Party Intellectual Property**"). The ownership of such Third Party Intellectual Property shall be governed by the applicable license agreement or subcontract, except that Supplier shall procure from each of its subcontractors an agreement with provisions consistent with this Clause 13.4, and shall expressly include the grant to Sonardyne of an irrevocable, perpetual, royalty-free and transferable (including with right to assign its rights without consent to any purchaser of an interest in all or part of the Goods and/or Services) license and sublicense to use all Third Party Intellectual Property of such subcontractors: (i) to engineer, procure, design, finance, construct, inspect, test, validate commission, operate, repair, maintain, upgrade and expand the Goods and/or Services, (ii) sell, and export products using the Goods and/or Services; (iii) to copy, reproduce, and distribute all such Third Party Intellectual Property in connection with the foregoing purposes with respect to the Goods and/or Services and (iv) to prepare derivative works to perform the items listed in 13.4(i), 13.4(ii), and 13.4(iii) herein. Sonardyne shall have the right to sublicense the foregoing license and sublicense in this Clause 13.4 (i) - (iii) and the license and sublicense in Clause 13.3 (i) and (ii) to a third-party supplier to complete the engineering and/or procurement under this Agreement or modify the Goods and/or Services. The rights and licenses and sublicenses set forth in this Clause 13.4 shall survive any expiration or termination of this Agreement.

13.5 The licenses and sublicenses granted herein to Sonardyne under the Supplier Intellectual Property and Third Party Intellectual Property, including all rights and obligations related thereto, shall be assignable by Sonardyne, whether in whole or divisibly, without the approval or consent of Supplier and any Licensor, to: (i) any financing entity by way of collateral assignment or pledge; (ii) any entity that acquires substantially all of the assets of Sonardyne with respect to the Goods and/or Services; (iii) any Affiliate of Sonardyne that succeeds to substantially all of the assets of Sonardyne; or (iv) any successor entity in merger, consolidation, or acquisition involving Sonardyne; provided, however that, any such assignee or transferee assumes the obligations of Sonardyne hereunder with respect to such Intellectual Property.

13.6 The Supplier shall immediately upon request by Sonardyne enter into such documents or agreements and provide such assistance (at no additional cost to Sonardyne) as Sonardyne shall reasonably require evidencing such rights.

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14. HEALTH, SAFETY AND THE ENVIRONMENT

- 14.1 In providing the Goods and/or Services, the Supplier shall observe all health and safety rules and regulations, including without limitation the health, safety and environmental requirements of the Health & Safety at Work etc. Act 1974, the General Product Safety Regulations 2005, the Chemical (Hazard Information and Packaging for Supply) Regulations 2009, the Control of Substances Hazardous to Health Regulations 2002 and the Provision and Use of Work Equipment Regulations 1998. Goods must meet all relevant health and safety requirements applicable to Goods both in the state or form supplied to Sonardyne and when incorporated in or combined with other goods which are either referred to in the Order or with which they would be incorporated or combined in the normal course.
- 14.2 Sonardyne is committed to compliance with several international commercial and industrial standards, including **ISO 14001** (for environmental management systems), **ISO 45001** (for occupational safety and health management systems) and **ISO 50001** (for energy management systems) (collectively the “Standards”), and Sonardyne is equally committed to applying the principles of these Standards to Sonardyne’s supply chain. Accordingly, the Supplier should ensure that it is fully aware of the criteria and guidelines set out in the Standards, and that it makes appropriate adjustments to its practices, processes, training and business culture so as to (as best as possible) attain compliance with these Standards.
- 14.3 Supplier hereby represents that it shall utilise and employ the most energy and environmentally efficient tools, products, materials, processes and facilities that are reasonably available to Supplier for supplying the Goods and Services under the Order. Furthermore, Supplier agrees to promptly inform Sonardyne of any improvements, upgrades or modifications to such tools, products, materials, processes or facilities, which are capable of achieving greater environmental or energy efficiency than those currently used by Supplier.
- 14.4 The Supplier shall comply with Environmental, Social, and Governance (ESG) principles, including but not limited to reducing carbon emissions, ensuring ethical labour practices and promoting diversity and inclusion in its operations. The Supplier shall provide annual ESG reports to Sonardyne upon request, detailing its compliance with these principles and any initiatives undertaken to improve ESG performance.

15. TOOLING

- 15.1 Unless otherwise specified in the Order, all tooling and/or all other articles required for the performance of the Order shall be included in the cost of the Goods or Services and shall be maintained in good condition and replaced when necessary at the Supplier’s expense.
- 15.2 Property in the tooling and/or all other articles required for the performance of the Order shall pass to Sonardyne in accordance with the provisions of Clause 5.

16. SUBCONTRACTING

The Supplier shall obtain Sonardyne’s prior written consent before subcontracting out any part of this Order, provided this limitation shall not apply to the purchase of standard supplies or raw materials. Notwithstanding the foregoing, the Supplier shall remain responsible for the performance of the subcontractor.

17. BUYER’S PROPERTY

- 17.1 The Supplier acknowledges that Specifications provided by Sonardyne, including any tools, jigs, dies and/or materials of any other nature furnished to the Supplier are Sonardyne’s property.
- 17.2 The Supplier will keep adequate records of such property which will be made available to Sonardyne upon request, and will store, protect, preserve, repair and maintain any property belonging to Sonardyne in accordance with sound industrial practice, at the Supplier’s expense and risk.
- 17.3 The Supplier shall indemnify and keep indemnified Sonardyne against any loss or damage to Sonardyne’s property or (at Sonardyne’s sole discretion) replace such items.

18. INSURANCE

- 18.1 During the term of the Agreement, the Supplier shall maintain in force the following insurance policies with reputable insurance companies:
- 18.1.1 public liability insurance with a limit of up to one million pounds sterling (£1,000,000) for claims arising from a single event or series of related events in a year;
 - 18.1.2 product liability insurance with a limit of up to one million pounds sterling (£1,000,000) for claims arising from a single event or series of related events and for all events in total whether related or not in a year;
 - 18.1.3 employer’s liability insurance with a limit of at least five million pounds sterling (£5,000,000) for claims arising from a single event or series of related events in a year; and
 - 18.1.4 cyber liability insurance with a limit of at least one million pounds sterling (£1,000,000) to cover claims arising from a single event or series of related events and for all events in total whether related or not in

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a year arising from cybersecurity breaches, including data breaches, ransomware and other cyber incidents affecting Sonardyne's data or systems.

- 18.2 The Supplier shall, within fourteen (14) days of the commencement of the Agreement and annually thereafter or otherwise upon request in writing at any time, provide Sonardyne with a valid insurance certificate evidencing compliance with the insurance requirements set forth in this Clause 18. Failure to provide such certificates shall constitute a material breach of this Agreement.
- 18.3 If the Supplier fails upon request to produce to Sonardyne satisfactory evidence pursuant to clause 18.2, then and in such case, Sonardyne may effect and keep in force any such insurance and pay such premium or premiums that may be necessary for the purpose and from time to time deduct the amount so paid from any monies due or which may become due to the Supplier or recover the same as a debt due from the Supplier.

19. PAYMENT TERMS

- 19.1 In respect of the supply of Goods or the provision of Services (except where milestone payments are stated in the Order), the Supplier shall invoice Sonardyne upon the delivery of the Goods or performance of the Services as described in the Order. Each invoice shall quote the relevant Order number date of the Order, the invoice number, the Supplier's VAT registration number and any supporting documents that Sonardyne may reasonably require. Invoices shall be marked for the attention of the Finance Department. Any other communications or notices issued by the Supplier must be marked F.A.O Sonardyne's named personnel referred to in the Order, or in the absence of named reference, the Purchasing Department and shall refer to the Order reference number.
- 19.2 Sonardyne shall pay any undisputed amounts on an invoice submitted in accordance with Clause 19.1 above, provided such invoice has been submitted within five (5) days of delivery of the Goods or performance of the Services, within forty-five (45) days of the date of invoice or such other period as may be agreed with the Supplier (the "**Due Date**"). Payment shall be made to the bank account nominated in writing by the Supplier.
- 19.3 If Sonardyne disputes any amounts on an invoice or other statement of monies claimed by the Supplier, Sonardyne shall promptly notify the Supplier and the parties shall negotiate in good faith to attempt to resolve the dispute promptly. Sonardyne, without limiting any other rights or remedies it may have, may set off any amounts owed to the Sonardyne Group by the Supplier against any amounts payable to the Supplier by the Sonardyne Group.
- 19.4 If a party fails to make any payment due to the other party under the Agreement by the due date for payment, then the defaulting party shall pay interest on the overdue sum from the due date until payment of the overdue sum, whether before or after judgment. Interest under this clause will accrue each date at four percent (4%) a year above the Bank of England's base rate from time to time, but at four percent (4%) a year for any period when the base rate is below zero percent (0%).

20. CANCELLATION

- 20.1 Sonardyne may terminate the Order in whole or in part at any time(s), prior to delivery of any Goods or full performance of the Services by notice in writing to the Supplier. Upon receipt of such notice, the Supplier will, unless the notice directs otherwise, immediately discontinue all work and cease to place orders for materials or facilities in connection with the performance of the Order and will promptly cancel all existing orders and terminate all subcontracts insofar as such orders or subcontracts are chargeable to this Order. The sole liability of Sonardyne to the Supplier shall be to pay the:
- 20.1.1 Supplier the percentage of the total Order price corresponding to the proportion of the amount of work completed on the date of termination provided that the Supplier shall have provided evidence of work done to the reasonable satisfaction of Sonardyne; and
- 20.1.2 Upon cancellation of the Order by Sonardyne under this Clause 20, and upon payment by Sonardyne for work completed as described in Clause 20.1.1, title to and the right to possession of all Goods, work in progress, and Specifications related to the completed portion of the Order shall pass to Sonardyne. Sonardyne or its agents shall have the right to enter the Supplier's premises during normal business hours to take possession of such items at Sonardyne's expense. The provisions of Clause 21.2 regarding the survival of rights and remedies shall also apply.

21. TERMINATION

- 21.1 Sonardyne may be entitled to terminate the Order without liability to the Supplier by giving notice in writing to the Supplier at any time if:
- 21.1.1 the Supplier makes any voluntary arrangement with its creditors (within the meaning of the Insolvency Act 1986) or (being an individual or firm) becomes bankrupt or (being a company) becomes subject to an administration order or goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction); or
- 21.1.2 an encumbrancer takes possession, or a receiver is appointed, of any of the property or assets of the Supplier; or

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- 21.1.3 the Supplier ceases, or threatens to cease, to carry on business or is unable to pay its debts as and when they fall due; or
 - 21.1.4 Sonardyne reasonably apprehends that any of the events mentioned above is about to occur in relation to the Supplier and notifies the Supplier accordingly; or
 - 21.1.5 anything analogous to any of the foregoing under the law of any jurisdiction occurs in relation to the Supplier; or
 - 21.1.6 an event of Force Majeure prevents the Supplier from performing its obligations under this Agreement Order for any continuous period of thirty (30) days; or
 - 21.1.7 the Supplier is in breach of these terms and conditions; or
 - 21.1.8 there is a change of Control, change of organisation, methods of Control, or a change of management of the Supplier.
- 21.2 Upon termination for any reason whatsoever all Goods or Services whether in finalised or in semi-processed state, work in progress and Specifications in which title has passed to Sonardyne or supplied by Sonardyne in connection with the Order shall be immediately transferred to Sonardyne at the Supplier's risk and expense. Sonardyne (or its agents) at Sonardyne's sole option, may enter upon the premises of the Supplier where such items are stored to collect the same and the Supplier hereby grants Sonardyne an irrevocable licence for Sonardyne or its agents to enter and do so.
- 21.3 The rights of termination shall be without prejudice to any other rights or remedies Sonardyne may have and Sonardyne's right to indemnification shall survive termination.

22. COMPLIANCE WITH LAWS

- 22.1 Subject to Clause 22.4 the Supplier warrants that it will fully observe and comply with all applicable UK, EU and local laws, rules, regulations and orders pertaining to the production and sale of the Goods or Services ordered, and, upon request, the Supplier will furnish Sonardyne with certificates of compliance with such laws, rules, regulations and orders. In particular and without prejudice to the remaining provisions of this Clause 22, Supplier warrants that it is fully observant and compliant with all UK, EU and local laws, rules, regulations and orders pertaining to:
- 22.1.1 Anti-bribery and anti-corruption legislation including the UK Bribery Act 2010 and US Foreign Corrupt Practices Act 1977;
 - 22.1.2 Anti-slavery and human trafficking practices including the UK Modern Slavery Act 2015; and
- 22.2 Without prejudice to the above but subject to Clause 22.4 the Supplier warrants all Goods (including components) shall comply with the following EC Directives and implementing legislation:
- 73/23/EEC Low Voltage
 - 89/336/EEC Electromagnetic Compatibility (EMC)
 - 89/392/EEC Safety of Machinery
 - 2011/65/EU Restriction of Hazardous Substances in Electrical and Electronic Equipment (RoHS 2)
- 22.3 Upon request, the Supplier will provide to Sonardyne at no additional charge the following documentation confirming compliance with the provisions in Clauses 22.1 and 22.2 above, including without limitation:
- 22.3.1 a statement confirming the Supplier's compliance with the relevant EC Directives; and
 - 22.3.2 a set of any applicable installation instructions of sufficient detail to ensure Sonardyne's Goods to comply with the EC Directives; and
 - 22.3.3 an appropriate EC Declaration of Conformity together with such Test Schedules, Reports and Analyses as necessary to support the Declaration.
- 22.4 This Clause 22 shall not apply insofar as failure to comply is as a result of a compliance with Specifications supplied by Sonardyne, provided the Supplier has informed Sonardyne in writing, prior to entering into the Order, that any of Sonardyne's Specifications or designs for the Goods or Services may result in any part of the Order so failing to comply.
- 22.5 Where required, the Supplier will affix the appropriate CE marks for conforming components in compliance with applicable EC Directives.
- 22.6 The Supplier warrants compliance with all applicable export control laws, including but not limited to the UK Export Control Act 2002, the EU Dual-Use Regulation (Regulation (EU) 2021/821), and U.S. export control laws such as the International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations (EAR). The Supplier shall obtain all necessary export licenses and provide Sonardyne with documentation evidencing compliance upon request.

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- 22.7 The Supplier shall comply with the Product Security and Telecommunications Infrastructure Act 2022, ensuring that any connected devices supplied under this Agreement meet the security requirements specified therein, including the provision of a statement of compliance to Sonardyne upon request.
- 22.8 The Supplier shall comply with the UK National Security and Investment Act 2021, including notifying Sonardyne of any circumstances that may require a mandatory notification to the UK Government due to the nature of the Goods or Services supplied, particularly in relation to marine technology or underwater acoustics.
- 23. ANTI-BRIBERY, ANTI-FACILITATION OF TAX EVASION, PREVENTION OF FRAUD AND ANTI-SLAVERY**
- 23.1 The Supplier shall:
- 23.1.1 comply with all applicable laws, statutes, regulations and codes relating to anti-bribery and anti-corruption, including but not limited to, the Bribery Act 2010 (“Relevant Requirements”);
 - 23.1.2 comply with anti-bribery and anti-corruption policies provided to it by Sonardyne from time to time (“Relevant Policies”);
 - 23.1.3 comply with all applicable anti-slavery and human trafficking laws, statutes, regulations and codes (“Anti-Slavery Rules”) from time to time in force including but not limited to the Modern Slavery Act 2015;
 - 23.1.4 not engage in any activity, practice or conduct which would constitute:
 - 23.1.4.1 a UK tax evasion facilitation offence under section 45(5) of the Criminal Finance Act 2017; or
 - 23.1.4.2 a foreign tax evasion facilitation offence under section 46(6) of the Criminal Finances Act 2017; or
 - 23.1.4.3 an offence under sections 1, 2 or 4, of the Modern Slavery Act 2015 if such activity, practice or conduct were carried out in the UK; or
 - 23.1.4.4 a Corporate Failure to Prevent Fraud Offence; or
 - 23.1.4.5 A Fraud Offence,in connection with the performance of services for and on behalf of Sonardyne;
 - 23.1.5 have and shall maintain in place throughout the term of this Agreement its own policies and procedures to:
 - 23.1.5.1 ensure compliance with the Relevant Requirements, the Relevant Policies and the Anti-Slavery Rules;
 - 23.1.5.2 prevent the Corporate Failure to Prevent Fraud Offence and/or the Fraud Offence and ensure compliance with this clause 23.1; and
 - 23.1.5.3 prevent the facilitation of tax evasion by another person (including without limitation employees of Sonardyne) and ensure compliance with this clause 23.1, and will enforce such policies and procedures where appropriate;
 - 23.1.6 promptly report to Sonardyne any request or demand for any undue or suspicious financial or other advantage of any kind received by the Supplier in connection with the performance of this Agreement;
 - 23.1.7 immediately notify Sonardyne (in writing) if a public official becomes an officer or employee of the Supplier or acquires a direct or indirect interest in the Supplier, and the Supplier warrants that it has no such public officials as direct or indirect owners, officers or employees at the date of this Agreement; and
 - 23.1.8 within 30 days of the date of this Agreement, and upon request thereafter, certify to Sonardyne in writing signed by an officer of the Supplier, compliance with this clause 23 by the Supplier and all persons referred to under clause 23.2. The Supplier shall provide such supporting evidence of compliance as Sonardyne may reasonably request.
- 23.2 The Supplier shall ensure that any person associated with the Supplier (including, without limitation, all of its agents, representatives, subcontractors and its Affiliates) who perform services or provide goods in connection with this Agreement do so only on the basis of a written contract with imposes on and secures from such persons terms equivalent to those imposed on the Supplier in this clause 23 (Relevant Terms). The Supplier shall be responsible for the observance and performance by such persons of the Relevant Terms and shall be directly liable to Sonardyne for any breach of such persons of any of the Relevant Terms.
- 23.3 Breach of this clause 23 shall be deemed a material breach.
- 23.4 The Supplier shall indemnify Sonardyne and its Affiliates against any and all direct and indirect losses, liabilities, damages, costs and expenses (including but not limited to legal fees, consequential losses, loss of profits and loss of reputation) incurred by, or awarded against, Sonardyne or any of its Affiliates as a result of:
- 23.4.1 any breach of this clause 23 by the Supplier or persons associated with the Supplier (including, without limitation, its agents, representatives, subcontractors, partners or Affiliates); and/or
 - 23.4.2 the termination of this Agreement by Sonardyne due to a breach of this clause 23.

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24. SANCTIONS

- 24.1 The Supplier warrants and represents that it is not a Restricted Party.
- 24.2 The Supplier shall and shall procure that relevant third parties it engages in connection with this agreement (including subcontractors) shall comply with all applicable Sanctions Laws.
- 24.3 If the Supplier becomes a Restricted Party or Sonardyne reasonably believes that the Supplier has breached this clause 24, then without prejudice to any other rights or remedies that Sonardyne may have under this agreement or otherwise, Sonardyne shall be entitled to:
- 24.3.1 suspend performance of any of its obligations under this agreement without any liability to the Supplier; and/or
 - 24.3.2 terminate the agreement with immediate effect.
- 24.4 Sonardyne shall not be in breach of this agreement nor liable for delay in performing, or failure to perform, any of its obligations under this agreement if such delay or failure results from or is in connection with Sanctions Laws.

25. LIABILITY & INDEMNIFICATION

25.1 General Indemnity

- 25.1.1 The Supplier agrees to defend, indemnify, and hold harmless Sonardyne, from and against losses, expenses (including, without limitation, reasonable attorneys' fees and costs), claims, damages, and liabilities for death, personal injury or damage to Sonardyne's and/or the customer's property resulting from or arising out of:
- 25.1.1.1 the Supplier's breach of its obligations under this Agreement; and/or
 - 25.1.1.2 the Supplier's negligence, fraud or wilful misconduct in respect of the Supplier's performance under the Order, (including the performance hereunder of the Supplier's officers, employees, agents, sub-suppliers, or anyone directly or indirectly employed or controlled by the Supplier).

25.2 Limitation of Liability

- 25.2.1 With exception of the Parties' liability under Clause 25.1 but notwithstanding any other provision to the contrary hereunder, the maximum liability of either Party to the other shall not exceed an amount equal to the amount actually payable by Sonardyne under the Order. Neither Party shall be liable to the other Party for any indirect, special or consequential damages whatsoever. Nothing in the Agreement shall exclude either Party's liability for death or personal injury caused by or arising out of such Party's and/or such Party's Personnel's negligence, intentional, wilful, wanton or reckless conduct, fraud or fraudulent misrepresentation, breach of confidentiality, violation of Law, infringement, misuse or misappropriation of Intellectual Property or license relating to the use of third parties' rights in Intellectual Property under the Agreement.

25.3 Intellectual Property Rights Indemnity

- 25.3.1 The Supplier shall indemnify and hold harmless Sonardyne, its successors, assigns, customers and users of the Goods or Services in full, from and against all loss, damage, liability, claims, costs and demands, arising out of or in connection with any claim that the manufacture, use, sale or resale or importation of any Goods or Services supplied under this Order infringe any patent or patent rights, copyright, design right, trademark or other intellectual property right of any other person, except to the extent that the claim arises from compliance with any Specification provided by Sonardyne, and provided that the Supplier could not have been reasonably expected to know that compliance with such Specification would lead to infringement. The Supplier's obligations under this Clause shall not apply where the provisions of Clause 22.4 are met.
- 25.3.2 Sonardyne shall at its sole discretion choose to defend or settle any such claim or require the Supplier to defend or settle any such claim at Sonardyne's direction and this indemnity shall apply whether or not Sonardyne chooses to defend any such claim.

26. INVOICES AND NOTICES

- 26.1 Any notice or other communication hereunder shall be in writing and for these purposes notices or communications by e-mail shall be deemed to be sufficient for these purposes.
- 26.2 Any such notice may be served by delivering it personally or by sending it by pre-paid first class post or by telex, facsimile transmission or e-mail at or to the address of the relevant party or any other address which it may from time to time notify in writing to the other parties.

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26.3 Any notice to be given shall be in writing, and may either be delivered personally or sent by first class prepaid post, facsimile transmission or email to the address of the recipient set out in the Agreement or such other address as the recipient may designate by notice given pursuant to this clause. Each such notice shall be deemed to have been served, when delivered.

27. FORCE MAJEURE

27.1 Neither party shall be liable for any delay or failure to perform any of its obligations if the delay or failure results from events or circumstances outside its reasonable control, including but not limited to acts of God, national strikes (excluding labour actions specific to the Supplier's personnel), lock outs, acts of war (declared or undeclared), natural disaster, the effects of legislation, regulation, refusal of export licence or any other government refusal, embargo or intervention, or other legal intervention ("Force Majeure"); in such event, the party shall be entitled to a reasonable period of time extension so as to enable it perform its obligations after notifying the other party of the nature and extent of such events. For the avoidance of doubt, this clause shall not excuse the Supplier's failure to obtain and maintain any licenses, permits, or governmental approvals necessary to fulfil its obligations under this Agreement, nor shall it apply to any government action or legal intervention resulting from the Supplier's failure to comply with Applicable Laws as warranted in Clause 22.

28. INDEPENDENT CONTRACTORS

28.1 The Supplier and Sonardyne are contractors independent of each other, and neither has the authority to bind the other to any third party or act in any way as the representative of the other, unless otherwise expressly agreed to in writing by both parties.

29. DATA PROTECTION

29.1 Personal Data and Processing shall have the same meaning as in the Applicable Data Protection Laws.

29.2 Both Parties will comply with all Applicable Data Protection Laws. Where either Party Process Personal Data that would identify an individual natural person on behalf of the other Party, that Party will:

29.2.1 Only Process Personal Data on the documented instructions in relation to Agreement; and

29.2.2 Ensure it has all the appropriate technical and organisational measures in place to protect against accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to Personal Data transmitted, stored or otherwise Processed and will ensure its employees and representatives are aware of the nature of the Personal Data with confidentiality obligations in place; and

29.2.3 Not contract with a third party to Process on its behalf without seeking prior written consent from the other Party, in which case it will flow down the same obligations as found in this Clause 29 herein; and

29.2.4 Reasonably assist the other Party with all documentation to ensure compliance relating to this Agreement with Applicable Data Protection Laws and this Clause 29 and technical and organisational measures, insofar as this is possible, for the fulfilment of the other Party's obligations for the nature of Processing and obligations to respond to requests from individuals;

29.2.5 Promptly destroy and/or return all personal data to the other Party on termination of this Agreement except where there is either an obligation to retain such Personal Data under applicable law or the Party needs to retain a copy of the Personal Data in its backups for archive purposes only;

29.2.6 Ensure that it has all necessary measures and technical and organisational requirements in place to allow for Processing of Personal Data outside the European Economic Area or outside the territory from which the Personal Data originated.

29.3 Both Party hereby gives general written authorisation for the other Party to transfer and/or access Personal Data belonging to the other Party from outside the UK and/or European Economic Area or outside the territory from which the Personal Data originated from, provided the territory where the Personal Data is being Processed has an adequacy decision by a public authority or an appropriate transfer mechanism has been place.

29.4 Supplier to comply with Applicable Data Protection Laws and to enter into a Data Processing Agreement if personal data is processed.

30. CYBERSECURITY

30.1 The Supplier shall:

30.1.1 implement and maintain robust Cyber Security measures and systems and otherwise use reasonable endeavours to maintain its Cyber Security to protect Sonardyne's Confidential Information, data (including Personal Data), systems, networks and Intellectual Property ("**Sonardyne Protected Assets**") against accidental, unauthorised or unlawful processing, access, copying, modification, reproduction, destruction, disclosure or damage. These measures shall comply with all applicable laws, statutes, and regulations, including but not limited to the Network and Information Systems Regulations 2018 (NIS Regulations) and the Computer Misuse Act 1990, as amended or superseded from time to time.

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Furthermore, the Supplier shall adhere to relevant industry best practices, including compliance with the UK Cyber Essentials scheme and, where applicable and agreed with Sonardyne, certification against ISO/IEC 27001 standards or equivalent;

- 30.1.2 implement and maintain appropriate plans and procedures to allow it to respond efficiently and effectively to a Cyber Security Incident; and
 - 30.1.3 regularly review its Cyber Security arrangements to verify its application in practice and maintain and keep records evidencing the same.
- 30.2 The Supplier shall ensure that any third party providing services on its behalf in connection with this Agreement complies with the terms of subclause 30.1.
- 30.3 The Supplier shall promptly notify Sonardyne in writing of any Cyber Security Incident that has affected, or is reasonably suspected to have affected, Sonardyne's Protected Assets used in the provision of Goods or Services to Sonardyne. If the Cyber Security Incident is within the Digital Environment of the Supplier, the Supplier shall:
- 30.3.1 promptly take all steps reasonably necessary to mitigate and resolve the Cyber Security Incident and will cooperate fully with Sonardyne in investigating, mitigating, and remedying such incidents; and
 - 30.3.2 without undue delay, but no later than twelve (12) hours after the original notification, provide Sonardyne with: (i) details of how it may be contacted; (ii) provide all relevant details then known, including the nature of the incident, the data or systems affected, and any mitigation steps taken or planned; (iii) details of what information was breached; and (iv) any information it may have which may assist Sonardyne in mitigating and/or preventing any effects of the Cyber Security Incident.
- 30.4 The Supplier shall share with the Sonardyne any information that subsequently becomes available to it which may assist Sonardyne in mitigating and/or preventing any effects of the Cyber Security Incident.
- 30.5 The Supplier shall ensure that any software, hardware, or connected devices supplied or used in the performance of this Agreement comply with cybersecurity best practices throughout their lifecycle. This includes, but is not limited to secure development lifecycle processes, regular vulnerability assessments and patching, and secure configuration management. The Supplier shall, upon request, provide Sonardyne with a list of all Cyber Security measures it has in place to protect Sonardyne's Protected Assets and provide reasonable information and assurance regarding the security of such software, hardware, or connected devices.

31. AUDIT RIGHTS

- 31.1 The Supplier shall, and shall ensure that all of its agents, consultants and subcontracts (as applicable) shall, grant to Sonardyne (or its appointed representatives or professional advisors) access to the Supplier's personnel, records, systems, and facilities as Sonardyne may require throughout the duration of this Agreement and for twelve (12) months following the termination of the Agreement in order to undertake any review or audit the Supplier to verify compliance with this Agreement (including, without limitation, the need to verify that the charges and any other sums charged to the Customer under this agreement are accurate), including but not limited to financial records, cybersecurity measures, Environment, Social and Governance compliance, and adherence to applicable laws.
- 31.2 Subject to the Supplier's confidentiality obligations, the Supplier shall provide the Customer (and its professional advisors) with all reasonable co-operation, access and assistance in relation to each audit.
- 31.3 The Customer shall provide at least 10 days' notice of its intention to conduct an audit and any audit shall be conducted during business hours. In the event of a breach by the Supplier or where the Customer reasonably believes that the Supplier has breached clause or clauses 14, 22, 23, 24, 29, 30 and/or 32 The Supplier shall give the Customer (or its professional advisors) immediate access to the Supplier's premises, personnel, systems and relevant records.
- 31.4 The Supplier shall maintain accurate and complete records related to this Agreement for a period of at least five (5) years after termination or expiry of the Agreement and shall provide Sonardyne with access to such records upon request.
- 31.5 Any non-compliance identified during an audit shall be rectified by the Supplier at its own expense within thirty (30) days of notification by Sonardyne, failing which Sonardyne may terminate the Agreement without liability.

32. SUPPLIER CODE OF CONDUCT

- 32.1 The Supplier shall comply with Sonardyne's Supplier Code of Conduct, the Applicable Laws and the Mandatory Policies as provided or updated by Sonardyne from time to time, which includes ethical business practices, anti-corruption policies, and commitments to human rights, environmental sustainability, and fair labour practices, including the prohibition of child labour, forced labour, slavery and human trafficking.
- 32.2 The Supplier shall provide annual certifications of compliance with the Supplier Code of Conduct, the Applicable Laws and the Mandatory Policies upon request by Sonardyne.

TERMS AND CONDITIONS FOR PURCHASE OF GOODS AND SERVICES

33. GENERAL

- 33.1 Any reference in these terms and conditions to a statute or a provision of a statute shall be construed as a reference to that statute or provision as amended, re-enacted or extended at the relevant time and in the case of any EC Directive any implementing legislation or modifications thereto.
- 33.2 Headings are for convenience only and shall not affect the interpretation.
- 33.3 No waiver by Sonardyne of any breach of the Agreement by the Supplier shall be considered as a waiver of any subsequent breach of the same or any other provision.
- 33.4 If any provision of these conditions is held by any competent authority to be invalid or unenforceable in whole or in part the validity of the other provisions of these conditions and the remainder of the provision in question shall not be affected thereby.
- 33.5 Neither this Order nor any rights or obligations herein may be assigned by Supplier nor may Supplier delegate the performance of any of its duties hereunder without, in either case, Sonardyne's prior written consent.
- 33.6 This Agreement contains the entire agreement between the parties relating to the subject matter and supersedes any previous agreements, arrangements, undertakings or proposals, oral or written. Unless expressly provided elsewhere in this Agreement, this Agreement may be varied only by a document signed by both parties.
- 33.7 This Agreement shall be governed by the laws of England and Wales and the parties hereby submit to the non-exclusive jurisdiction of the English Courts.
- 33.8 Any dispute arising out of or in connection with this Agreement shall first be subject to good faith negotiations between the Parties for a period of thirty (30) days. If the dispute remains unresolved, the Parties shall attempt to resolve it through mediation in accordance with the Centre for Effective Dispute Resolution (CEDR) Model Mediation Procedure.
- 33.9 If the dispute is not resolved through mediation within 60 days, either Party may refer the dispute to the English Courts, as provided in clause 33.7.

END OF TERMS AND CONDITIONS

SONARDYNE INTERNATIONAL LIMITED

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